

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6258

BILL NUMBER: HB 1382

DATE PREPARED: Nov 20, 2000

BILL AMENDED:

SUBJECT: Overweight and Obesity Management.

FISCAL ANALYST: Kathy Norris

PHONE NUMBER: 234-1360

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		431,000	492,000
Net Increase (Decrease)		(431,000)	(492,000)

Summary of Legislation: This bill requires the Office of Women's Health of the State Department of Health to establish a Comprehensive Weight Management Pilot Program. The bill specifies the purposes and functions of the program. The bill provides that the Office of Women's Health may hire staff and obtain services necessary to carry out the purposes of the program. The bill also voids a provision of the Indiana Administrative Code specifying that "anorectics or any agent used to promote weight loss" are not covered by Indiana's Medicaid Program. (The introduced version of this bill was prepared by the Health Finance Commission.)

Effective Date: July 1, 2001.

Explanation of State Expenditures: The bill establishes a Comprehensive Weight Management Pilot Program to provide low-income Hoosiers with access to a state-of-the-art weight management program that utilizes medical, dietary, behavioral, exercise, and nursing intervention. The program is intended to reduce the impact of obesity on chronic illness and to reduce medical costs associated with obesity related chronic illness. The bill specifies that the first year of the project shall be conducted at the Indiana University/Wishard Health Services campus and a Wishard Health Services Community Health Center. The bill additionally specifies that during the second year of the pilot, an additional site located outside Indianapolis be added. The Program is to consist of five groups of 16-20 individuals meeting for a course duration of 24

weeks with subsequent follow-up for evaluation purposes. The maximum number of participants in the program would be 500: 200 individuals in the first year and 300 in the second year. The Program budget includes 6.5 FTE health professionals and support staff plus a half-time physician. The total estimated expense for FY 2002 is \$431,000. Staffing and other operating expenses are increased in the second year to 7.5 FTE health professionals and support staff plus a half-time physician. The total projected cost for FY 2003 is \$492,000.

The bill also voids a provision of the Indiana Administrative Code that specifies that “anorectics or any agent used to promote weight loss” are not covered by Indiana’s Medicaid Program. Weight loss drugs are one of the few classes of drugs excluded from the mandatory federal coverage requirements of OBRA 1990. It is believed that federal law allowed for an exception for weight loss since the available weight loss drugs were controlled substances with reputations for abuse. This is not necessarily the case with the newer weight loss products currently on the market (Xenical and Meridia).

The Medicaid Program has provided a preliminary estimate of the per person monthly cost for Xenical at \$126 and Meridia at \$158. Additionally these drugs may be prescribed simultaneously. Xenical may also be used as an ongoing maintenance drug. No further information is available at this time to estimate the total fiscal impact of this provision.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health, Office of Women’s Health; Indiana University/Wishard Health Services Campus.

Local Agencies Affected:

Information Sources: Kathy Gifford, Director, Indiana Medicaid Program; Barbara Levy-Tobey, Director, Office of Women’s Health (233-7493).